

March 12, 2021

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
Washington, DC 20515

The Honorable Charles Schumer
Majority Leader
U.S. Senate
Washington, DC 20510

The Honorable Kevin McCarthy
Minority Leader
U.S. House of Representatives
Washington, DC 20515

The Honorable Mitch McConnell
Minority Leader
U.S. Senate
Washington, DC 20510

Dear Speaker Pelosi, Majority Leader Schumer, Minority Leader McConnell, and Minority Leader McCarthy:

We, the undersigned organizations, extend our sincere appreciation to Congress for its unwavering support of frontline health care providers since the onset of the COVID-19 pandemic. While we are encouraged by the recent downward trend of COVID-19 infections and deaths, along with significant progress in vaccinations, we recognize that the months ahead will continue to present obstacles and challenges for both health care providers and the patients they serve.

It is unclear how long it will take for the nation's health care system to fully emerge and recover from the COVID-19 pandemic. We must remain vigilant in our preparedness and response to existing and new COVID-19 variants. Health care providers continue to incur significant expenses to treat COVID-19 and non-COVID-19 patients, including substantial investments in infrastructure and the personal protective equipment (PPE) necessary to protect our workforce.

In order to ensure that our nation's health care providers and systems can continue to provide quality care to patients and not be subjected to billions of dollars in cuts during this ongoing pandemic, we ask that Congress take action before April 1, 2021 to:

- 1) Extend the 2% Medicare sequester moratorium; and
- 2) Prevent the projected 4% Medicare spending cut (approx. \$36 billion) scheduled to begin next year due to Pay-As-You-Go (PAYGO) statute reductions.

Medicare Sequester Moratorium

On December 27, 2020, *The Consolidated Appropriations Act of 2021* was signed into law, providing a three-month extension (until March 31) of the Medicare sequester moratorium as originally enacted in *The CARES Act*.

Bipartisan legislation has been introduced in the House that will prevent this impending cut to health care providers while in the midst of the COVID-19 pandemic. *The Medicare Sequester COVID Moratorium Act (H.R. 315)* has been introduced by Representatives Brad Schneider (D-IL-10) and David McKinley, P.E. (R-WV-1). We strongly urge Congress to enact such legislation before an ill-timed 2% reduction in Medicare payments resumes on April 1.

PAYGO

The Congressional Budget Office (CBO) recently released an estimate regarding the statutory *Pay-As-You-Go (PAYGO) Act of 2010* implications of using the reconciliation process to enact the *American Rescue Plan Act of 2021*.

Unless Congress acts – potentially with legislation to waive the bill’s effects on the Office of Management and Budget (OMB) scorecard – a sequestration order will be issued to reduce spending in fiscal year 2022 by \$381 billion – including a reduction in Medicare spending by four percentage points (or an estimated \$36 billion for that year). Such extreme cuts would have a long-lasting and devastating impact on health care providers and patients alike.

Conclusion

Before April 1, Congress has the opportunity to both extend the 2% Medicare sequester moratorium and prevent a severe PAYGO reduction in Medicare spending. We urge Congress to act now by passing legislation that will eliminate these looming Medicare cuts and help us ensure we have what we need to overcome the COVID-19 pandemic.

Sincerely,

Alliance of Community Health Plans
Ambulatory Surgery Center Association
America’s Essential Hospitals
America's Health Insurance Plans
America’s Physician Groups
American Academy of Dermatology Association
American Academy of Family Physicians
American Academy of Neurology
American Academy of Ophthalmology
American Academy of Physical Medicine and Rehabilitation
American Association for Homecare
American Association of Neurological Surgeons
American Association of Orthopaedic Surgeons
American Clinical Laboratory Association
American College of Cardiology
American College of Gastroenterology
American College of Osteopathic Family Physicians
American College of Physicians
American College of Radiology

American College of Surgeons
American Medical Association
American Medical Group Association
American Medical Rehabilitation Providers Association
American Nurses Association
American Occupational Therapy Association
American Optometric Association
American Osteopathic Association
American Physical Therapy Association
American Psychological Association
American Society of Anesthesiologists
American Speech-Language-Hearing Association
Association of American Medical Colleges
Blue Cross Blue Shield Association
Brain Injury Association of America
Congress of Neurological Surgeons
Digestive Health Physicians Association
Federation of American Hospitals
Healthcare Leadership Council
Infusion Providers Alliance
Large Urology Group Practice Association
LeadingAge
Medical Group Management Association
National Association for Behavioral Healthcare
Orthotic & Prosthetic Alliance
Outpatient Ophthalmic Surgery Society
Premier healthcare alliance
Private Practice Section of the American Physical Therapy Association
The Catholic Health Association of the United States
Vizient, Inc.